

**U. S. SMALL BUSINESS ADMINISTRATION**

NEVADA DISTRICT OFFICE
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February 26, 2002

Mayor Oscar Goodman
City of Las Vegas, Nevada
400 East Stewart Avenue
Las Vegas, Nevada 89101

Dear Mayor Goodman:

As the Nevada District Director for the U. S. Small Business Administration (SBA), I would like to express our deep concern about the changes to the Las Vegas sign code that have been recently proposed by city staff and consultants. We understand that the City Planning Commission had a thorough public hearing on these proposals at their February 21, 2002 meeting and we urge you and your fellow city council members to duly consider the results of those deliberations. Furthermore, we ask that you carefully consider this matter and the potential impact it may have on small businesses, the lending community and the local economy.

As a disinterested advocate for small businesses, we are concerned about these proposals that have the net effect to: (1) reduce the height or visibility of commercial freestanding signs by 40% and, (2) reduce the amount of sign area allowed on commercial buildings by 25%, and (3) require the future removal of signs not conforming to this new code within 25 years of their date of construction/erection or by 2017, whichever is earliest. Please note that the affected signs were legally constructed in reliance upon the laws then in effect and that significant investment and maintenance costs have been incurred in their creation, as well.

The SBA recognizes the critical nature of signage for small businesses to such an extent that signage is a key component of our agency website on starting a small business (www.sba.gov/starting/signage). Our website recognizes that sales volumes are tied to signage. Considering that many small businesses operate on a very small profit margin, we are concerned with any changes to the sign code that could place small businesses in a competitive disadvantage and that could ultimately lead to business failure.

We are also concerned from the standpoint of commercial lending support for small businesses. Lenders routinely assess the risk of business failure when loaning money for business start-ups and expansion. If the sign code were to be changed in a manner that increased the risk of business failure, or resulted in the loss of an asset for which funding has been advanced (i.e. a sign), the impact on lending practices within the community for small businesses could be profound.

In closing, we trust that you and your colleagues on the City Council will endeavor to consider the full ramifications of the concerns raised by the business community and will act to protect the beneficial environment for small business that we now enjoy.

Sincerely,

John E. Scott
SBA District Director for Nevada
Las Vegas, Nevada
(702) 388-6019